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The Honorable Carol Lehman
Mayor of Gardner
214 West Warren Street
Gardner, KS 66030

Dear Mayor Lehman:

In the spirit of open communication that we have both worked diligently to maintain, it's essential that BNSF clarify an important point about the Logistics Park project we will build near Gardner.

Our intent has always been to work with local, state and federal officials to address the issues and concerns a project of this magnitude presents to any region's economy and to the communities that exist in that market. However, a question has been raised whether BNSF will proceed if Gardner does not annex the site. The answer is: YES. BNSF is proceeding with its project whether or not Gardner decides to annex the site. We believe Gardner is potentially the best and most natural jurisdiction for the project, but Gardner's annexation choice is a separate and independent decision from whether the project should exist at this location.

As I pointed out in my May 24, 2006, letter, the Kansas City region's need for this project and its business case have been firmly established; not only by endorsements from the chambers of commerce, and business and political leaders in the broader Kansas City area, but more importantly by freight customers throughout this region who continue to set new volume records at our existing intermodal facility. Through the first seven months of 2006, BNSF's Kansas City intermodal facility is experiencing the second fastest growth rate on our intermodal network and is on pace to break its annual lift record for the fourth consecutive year.

BNSF has no choice but to build a new, larger intermodal facility to meet the demand from shippers and consumers throughout this region. As you know, BNSF acquired options to purchase more than 1,000 acres for our Logistics Park some time ago and is now in the process of actually acquiring the property. We have already spent several million dollars to buy several hundred acres. In the coming weeks and months, we expect to complete design plans with a third-party development partner, begin the permitting process, and finalize solutions to the infrastructure improvements needed to support the development.

We look forward to working productively with Gardner should the City decide it is interested in annexing the site. But it is equally important to understand that should Gardner decide not to annex, BNSF respects your right to make such a decision, and will remain grateful for the opportunity to have presented our case to your community.

Sincerely,